

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY,)	CASE NO.
INC. FOR THE ANNUAL COST RECOVERY)	2011-00448
FILING FOR DEMAND-SIDE MANAGEMENT)	

O R D E R

On November 15, 2011, Duke Energy Kentucky, Inc. ("Duke Kentucky") filed its annual Demand-Side Management ("DSM") application. Duke Kentucky's application included its annual status report; a request to implement a new energy efficiency program called Residential Smart Saver; a request to modify its annual DSM recovery mechanisms to reflect reconciliation of planned and actual expenditures, lost revenues, and shared savings; and revised gas and electric tariffs containing proposed rates. Duke Kentucky's application stated that the proposed rates are to take effect 30 days after the date of filing, but the actual tariffs did not include an issue date, an effective date, or a signature.

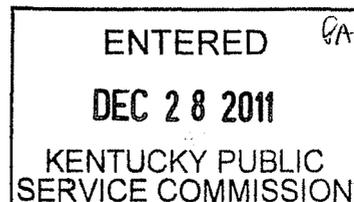
On December 16, 2011, the Commission issued an Order in this case establishing a procedural schedule and finding that Duke Kentucky's proposed gas and electric tariffs cannot become effective until they are filed here with an issue date, an effective date, and a signature. In response to that Order, Duke Kentucky refiled with the Commission on December 20, 2011 its proposed tariffs with an issue date of November 15, 2011, an effective date of December 15, 2011, and a signature.

Based on a review of Duke Kentucky's tariffs as filed on December 20, 2011, the Commission finds that KRS 278.180(1) prohibits any change in any rate except upon 30

days' notice to the Commission, while 807 KAR 5:011, Section 4(4)(a) and Section 9, require the issue date and effective date to be contained in the new tariffs filed here. The 30 days' notice required by KRS 278.180(1) is a prospective notice, not a retroactive notice. Therefore, for new rate tariffs that are filed here on December 20, 2011, their earliest effective date is 30 days thereafter, which is January 19, 2012. Further, the Commission finds that an investigation will be necessary to determine the reasonableness of the proposed DSM rates and the added DSM program, and that investigation cannot be completed before the tariffs' lawful effective date of January 19, 2012. Consequently, the proposed rate tariffs should be suspended for five months from that date pursuant to KRS 278.190(2). However, the Commission will conduct its investigation as expeditiously as possible, in accordance with the established procedural schedule.

IT IS THEREFORE ORDERED that Duke Kentucky's proposed DSM rates are suspended for five months from January 19, 2012 up to and including June 18, 2012.

By the Commission



ATTEST:


Executive Director

Kristen Cocanougher
Duke Energy Kentucky, Inc.
139 East 4th Street, R. 25 At II
P. O. Box 960
Cincinnati, OH 45201

Honorable Dennis G Howard II
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204